FINANCIAL BUSINESS.

Presentation of the Budget for 1951-52.

Mr. SPEAKER (The Hon'ble Sri V. Venkatappa).—The Hon'ble Finance Minister will now introduce the Budget for 1951-52.

The Hon'ble Sri H. C. DASAPPA (Minister for Finance and Industries).—

SIR,

BEFORE I present to the House the Budget Estimates of 1951-52, I cannot but refer to certain unfortunate losses which the country has sustained since the last Budget Session, losses which have left it poorer in different spheres of life—administrative, cultural and social.

Losses.

The greatest loss is in the unhappy death of Sardar Vallabhbhai Patel, Deputy Prime Minister. He was matchless as a non-violent fighter and matchless as a builder of the nation. Mysore, which counted him as a true friend, and which was dear to his heart till the end of his days mourns his loss. I remember in those rather troublous days when the might of power was trying to crush the freedom movement here how Gandhiji and he befriended Mysore Congress and guided it on unerring lines. This House has paid its meed of homage to his great memory and imperishable work and so let me pass on.

Despite such a loss merciful Providence has a way of fulfilment. The mantle of Sardar Patel has fallen on two other seasoned and friendly statesmen—Sri C. Rajagopalachari and Sri N. Gopalaswami Iyengar, and together with the leadership of Shri Jawharlal Nehru there is no need to feel disheartened.

I would be failing in my duty if I did not refer to another figure, who though less in public life, yet ranked

very high among the constructive workers of the present times—Sri A. V. Thakkar Bapa. He was a selfless worker—friend and father of the depressed and neglected. His work on behalf of the Adivasis, the Harijans and women and children of rural India is monumental. We of Mysore remember with gratitude his services in connection with Harijan and Kasturba Trust work and the Chitaldrug famine where he showed the way in organising relief work. Bapa's was a life of utter consecration.

We lost during the year two high-souled personalities, strongly reminiscent of the Rishis of yore—Sri Ramana Maharshi and Maharshi Arabinda Ghosh. Nearer home we have lost two men of eminence—Dr. C. R. Reddy, Pro-Chancellor and Educational Adviser to the Government of Mysore and Sri K. Matthan, retired Member of Council, to whose memory and services His Highness the Rajpramukh and this House have deservedly paid their tribute. I had the privilege to sit and learn at Dr. C. R. Reddy's feet. He was not only a brilliant professor and an educationist, but an original and profound thinker, a gifted speaker and conversationalist—an intellectual genius—in a class by himself. I do not need to refer to his earlier work in Mysore to which he gave his best during the best part of his life nor to his enduring work as the architect of the Andhra University. In discovering talent and assisting it to blossom forth fully he was unique. Mysore feels his absence particularly at a time when his services were essential to implement his recommendations for the reorganisation of the Education—higher and secondary in the State. Mr. K. Matthan was a Civil Servant of a high order and an able administrator. After retirement he engaged himself in a number of useful activities not the least of them being those for the Church of which he was a devoted member.

Introduction.

This is the fourth Budget I am presenting after the democratic Government was set up in 1947. I am not sure as to who will be doing it next time and may I add also as to which of us exactly will be there to listen to the address next time. The general elections are to be held towards the end of the year. We will of course be judged by the electorate by what we have done. May I say that I have no apprehensions as to their likely

verdict. The elections are going to be on the basis of adult suffrage—a fact which it is well for all of us to remember. Bearing that in mind I ask you to judge the estimates I am going presently to place before you.

Financial Integration.

In my last Budget Speech I had referred to Financial Integration and had stated at the time that the Revenue Gap was provisionally fixed at Rs. 325 lakhs. After allowing for the concessions in the agreement, namely, omission of special contribution to Railway Depreciation Fund during 1946-47, arrears of pay, increased tax on account of absence of Gold Duty, etc., the actual computation showed a lower figure but there were other outstanding questions like suspension of contribution to Depreciation Fund in 1948-49, the revision of State's share in Excise Duties, exclusion of cost of military buildings in the calculation, etc. These issues were favourably settled and the gap fixed at Rs. 345 lakhs subject to the further condition that there should be no claims on either side in regard to payment of arrears of excise duties. I should say that this was an equitable settlement to both the parties. There now remains the question of allocation of Public Debt. I am not in a position to furnish the details since the matter is under discussion, but I hope that this question also will be settled favourably.

Staff of Federal Departments.

Since the last Session many of the Federal Departments have been taken over for direct administration by the Centre. The bifurcation of staff in Composite Departments like Excise and Audit has either been completed or is in the process of completion. The categorisation of the staff taken over in Central scales has also been effected in major departments like Income-tax, Excise and Audit. It is expected that the staff taken over will be fixed in appropriate grades on Central scales from 1st April 1951 and given the benefit of higher allowances.

Indian State Forces.

Of the different departments that have gone over to the Centre the future of the personnel of the Indian State Forces of Mysore, is what has given rise to the utmost anxiety in the State. The somewhat wholesale and unexpected demobbing of officers and men, many of whom had rendered meritorious war service has created not only a natural disappointment among the personnel

V—31 N57
N 57—A—1

but also among the public. The feelings and apprehensions of the Hon'ble Members of the House were given full expression to during the last session and this. So, I do not propose to refer to the matter at any length. As one of the parties responsible for the Federal Financial Agreement, I feel I ought to place the issue fairly before the House. The term embodied in the agreement relating to the personnel of the Federal subjects reads as follows :—

> "The permanent staff wholly (or substantially) engaged on work connected with 'Federal' subjects in States on the prescribed date should be taken over by the Centre in appropriate grades and upon terms not less advantageous than in the service of the State."

The meaning of the clause is clear. Another point that has to be borne in mind is that the Centre has taken over from the State all the expenditure we were incurring on the full compliment of the military personnel lifted to the Centre. Whatever slight readjustments may have been called for in consequence of integration and absorption into the Indian Army, such a general disbandment of the Forces was never expected. It looks to me that that part of the Federal Financial Agreement which has been quoted above may not have been present before them at the time of directing these orders of discharge of our officers and men. I may assure the House, if any is needed, that Government will continue unabated their efforts to get them absorbed in the Indian Army and in any case to have the mustering out concessions liberalised. The State Government on its part will try to absorb such of them as are suitable in Civil Departments, but in these days of retrenchment and economy these opportunities are naturally limited.

Indian Administrative and Police Services.

The Special Selection Board is now examining the Mysore Civil Service and Mysore Police Officers to make their selections to I.A.S. and I.P.S. On behalf of the State Sri H. B. Gundappa Gowda is one of the two observers to both the selections while the other observer so far as I.A.S. is concerned is Hon'ble Sri H. Siddaiya, Minister for Revenue and so far as I.P.S. is concerned is Hon'ble Sri T. Mariappa, Minister for Home. While it is hoped that quite a number of our officers senior as well as junior will pass the test, those who may remain

behind have the assurance that their normal prospects will not suffer for the mere reason that they are not selected. Our system has served us fairly well. Those who go over to I.A.S. and I.P.S. are still our own and we wish them well.

Planning Commission.

In response to requisitions from the Central Planning Commission two-year, five-year and fifteen-year plans for development were drawn up and forwarded to the Commission. According to these plans the total overall amount required for Power Development is Rs. 49 crores and for Irrigation Rs. 32 crores. The plans for Industries require Rs. 20 crores and they come under the five-year plan. There are plans for other capital works and social and ameliorative services. It is obvious that left to our own resources these plans cannot see fruition. It is hoped that both the Colombo plan and the Point 4 programme of Mr. Truman will take concrete and constructive shape and that before long.

The Planning Commission have felt it desirable to ascertain what changes are required in the public administration and in the administration of public enterprises in the States, obviously with a view to see that the machinery to implement the plans is of the right type. Sri A. D. Gorwala who is entrusted with the task to consider and report on the changes required is now on a visit to our State.

State Savings Bank Scheme.

The House is aware that our State has for decades past been running a State Savings Bank scheme which is quite popular and is highly appreciated by the public. Hitherto the interest on the savings deposits was free from income-tax, but after integration, though the old deposits as on 1st April 1950 continue to enjoy the income-tax-free right, the new ones cannot enjoy the same right. It may be noted however that the Government of India pay not only higher rates of interest on their fixed deposits and savings certificate schemes but have also given the immunity from income-tax. This obviously hits hard a State like Mysore which has had the scheme working on efficient lines for a long time. It might therefore become necessary for us to increase our rates of interest so as not only to be on a mere parity with those of the Government of India but also to cover the

disadvantage that would accrue to new investors in Mysore because of payment of income-tax. The Mysore Government is taking up the matter with the Centre in regard to securing the same advantage for the State scheme as what the Central scheme enjoys. Meantime I consider that it is essential that the machinery for attracting savings both in urban and rural areas should be strengthened.

Local Fund Audit.

I had said last time that with the transference of audit to the Centre we would be faced with the problem of audit of local bodies. The issue was whether we should entrust this work to Central Audit on a service at cost basis as in some Part A States or run the service ourselves as in some others of Part A States. We have chosen the latter method and appointed a Local Fund Examiner. He was deputed to study the practice and procedure at Madras and has now entered upon his duties.

Bifurcation of the Budget.

The budget is being presented in two parts. Volume II showing the Post-war Development Schemes separately. This was done to meet the wishes of some of the Hon'ble Members and incidentally it helped us also to more easily present our development schemes to the Centre and claim certain grants and subsidies for some of them on the same basis as the Part A States could. But how long are these years to continue as Post-war years? Far from their being post-war schemes, perhaps, in view of the threatening war clouds, it would be more appropriate to call them pre-war development schemes. It seems to me that there is not much meaning now in continuing this kind of bifurcation and making the task of accounting on the part of the departments and of the Accountant-General's Office more difficult.

Re-classification of Heads.

Now, coming to the Financial Statements placed before you, I have to caution that they differ from the previous statements in many respects. According to the instructions of the Ministry of Finance and the Comptroller and Auditor-General, the existing heads of classification had to be re-classified according to the prescribed Major and Minor Heads. This has involved transfers from one head to the other, including debt heads, re-grouping of existing major heads, separation of allowances from salaries and establishment, etc. The

rationalisation of detailed heads in conformity with the procedure in Part A States could not be attempted as this would have involved drastic changes. It is a matter which has to be done gradually. It was also not practicable for the Finance Department to present a separate Budget for the Revised Estimates according to the existing classification and it was considered more convenient to re-classify the figures shown in current year's Budget and Accounts 1949-50 according to new heads to the extent possible and these figures are given in the Budget for purposes of comparison though the actual expenditure during the current year will be booked according to the existing classification.

It will be seen for instance that the entire expenditure on account of Revenue Commissioner and staff, District and Taluk staff which was hitherto shown under Land Revenue is now shown under General Administration. Again irrigation works are now classified into works for which capital accounts are kept and works for which capital accounts are not kept. Works costing Rs. 50,000 and above go under the former and the receipts from such works are classified under the same head, which is now known as Irrigation, Navigation Embankment, and Drainage for which capital accounts are kept; they are again sub-divided into productive and unproductive works, the former reckoned to be remunerative and built out of borrowed funds generally. To bring our classification to that of Part A States we have considered that all such schemes as have cost above Rs. 5·00 lakhs as having been financed from outside the Revenue account.

Consolidated Fund.

According to Article 266 of the Constitution of India and the clarification given by the Auditor-General the Consolidated Fund comprises the following :—

1. Revenue Receipts and Expenditure.
2. Capital Outlay.
3. Loans raised, Ways and Means advances and their repayments.
4. Loans and advances bearing interest by State Government including recoveries.

All moneys other than those accounted for under the Consolidated Fund will be shown in the Public Accounts. These comprise of Deposits, Advances (not bearing

interest) funds relating to Local Bodies and other functional funds, remittances, suspense, etc.

The opening balance for the Consolidated Fund has not yet been fixed and hence a single balance is maintained for all the accounts.

Accounts, 1949-50 (9 months).

The Revised Estimate for 1949-50 had taken Revenue and Expenditure met from Revenue at Rs. 920·05 lakas and Rs. 921·10 lakhs, respectively. The accounts showh proportionate increase under both, the final figures being Rs. 949·09 lakhs and Rs. 950·08 lakhs. The capital expenditure which stood at a revised figure of Rs. 650·42 lakhs amounted to Rs. 494·69 lakhs.

Revised, 1950-51.

As regards revised for 1950-51, Revenue shows an improvement over budget from Rs. 1,333·55 lakhs to Rs. 1,358·84 lakhs and the expenditure a reduction from Rs. 1,352·15 lakhs to Rs. 1,342·26 lakhs. These figures are according to re-classification. It will be seen that receipts under Sales Tax exceeded the budget figures by about Rs. 14 lakhs. An excess of Rs. 20 lakhs has been taken into account under the grant-in-aid from the Central Government in view of the increase in the net gap to be made good from Rs. 325 lakhs to Rs. 345 lakhs.

The following are the amounts we have received from the Centre by way of loans and grants during the year :—

Grants.

1. 42·63 lakhs for 1949-50 for Grow More Food Scheme.
2. 33·00 lakhs for 1950-51 do

Loans.

1. 29·50 lakhs for Grow More Food Schemes for 1949-50.
2. 40·00 do do 1950-51.
3. 50·00 lakhs for power supply to Irrigation Pumping sets during 1950-51.

It was announced at the last Session that the Government of India had agreed to give us a loan of Rs. 150 lakhs for 1950-51 and another sum of Rs. 150 lakhs for 1951-52. The loan of Rs. 150 lakhs for this year by the Centre is sanctioned for financing expenditure

on irrigation and hydro-electric works on hand. The exact allocation of the amount will be determined by Government of India in consultation with the Planning Commission. The rate of interest and the period of loan are yet matters to be finalised.

Budget for 1951-52.

The estimates for 1951-52 include Revenue Receipts and Expenditure of Rs. 1,380·69 and Rs. 1,418·23 lakhs, respectively, resulting in a deficit of about Rs. 37·50 lakhs. The deficit is accounted for both by short returns under certain heads and larger provision for certain nation building departments. The benefits to these departments could not be curtailed when the demands are so great for increased amenities all round.

Sales Tax.

I have to specially invite your reference to the heavy fall under Sales Tax—the once very hopeful source after income-tax was lifted to the Centre. In view of the constitutional restrictions, Sales Tax cannot be levied on articles sent out of Mysore. This is obviously a loss for which the State is not responsible and I hope that some measure of compensation will be thought of, should there be any difficulty in amending that part of the constitution.

The large increase of receipts under Forest by about Rs. 60 lakhs is due to change in accounting of charging the cost of Sandalwood supplied to Sandal Oil Factory and the profits of the Sandal Oil Factory show a corresponding reduction. This sum would normally be about Rs. 40 lakhs but this time since the cost of the closing stocks held by the Sandal Oil Factory has also been taken into consideration it stands at Rs. 60 lakhs.

Expenditure.

Taking the expenditure into consideration while the Government would have liked to adopt a policy of consolidation in preference to fresh commitments, it has not been found possible to withhold certain increases at least on a moderate scale. Let me briefly refer to a few of these. Under Revenue expenditure for Irrigation, a sum of Rs. 11·75 lakhs under Extensions and Improvements and a sum of Rs. 17·50 lakhs under Maintenance and Repairs are provided. Another sum of Rs. 24·80 lakhs under tanks and channels is given as against Rs. 4·90 lakhs of the current year. A sum of Rs. 1 lakh is provided towards

productive capital equipment under Jails. Education accounts for an increase of Rs. 36 lakhs from Rs. 272·69 to Rs. 308·96 lakhs which, be it noted, excludes Industrial Education and Educational Buildings which were formerly being classified under Education. Under Medical, there is a rise of nearly Rs. 16·00 lakhs over the Revised figure; Public Health accounts for Rs. 19·00 lakhs over Revised. Industrial Education shows an increase of Rs. 4 lakhs. Under Civil Works the provision has been increased by Rs. 40 lakhs. These items relate only to Revenue Expenditure.

Capital.

I said last time that the Capital Works undertaken were such as could not be held up in incomplete stages. They were mostly commitments which could not be avoided on any account, nor is it desirable to do so.

The total expenditure programmed for 1951-52 on Electricity, Irrigation, Water Works and Industries is about Rs. 763 lakhs and this is intended for completion of the existing works and for taking up allied works which are quite essential to the main projects. The Capital Programme is proposed to be financed from loans as under:—

(1) One and a half crores promised by Government of India.
(2) One crore promised for Power Supply to Irrigation Pumps.
(3) One crore to be taken back as a loan in respect of securities to be surrendered.
(4) Three and a half crores to be obtained as additional loan from the Centre or Banks or in the Market.
(5) Balance will be met by reducing investment of funds not owing to outsiders.

In case the additional loan is not forthcoming, the Capital Programme has to be curtailed and this will be to the detriment of not only State's interests but of India's when there is so much need for increasing production. But, I do not want to envisage difficulties in getting or raising a loan which has got to be done having regard to our commitments.

Cash and securities.

That brings me to the subject of our cash and securities. In my last Budget Speech, I had given details of reduction of Cash and Securities to end of

1948-49. The details to end of 1949-50 are furnished below :—

Assets.	1-7-1947	1-4-1950	*Liabilities.*	1-7-1947	1-4-1950
	Rs. in lakhs.			Rs. in lakhs.	
Cash and Investments ...	3352·33	1859·42	Permanent Debt ...	1621·13	1619·93
Departmental balance ...	3·17	10 01	Unfunded Debt ...	1100·09	1181·53
Loans and advances ...	237·55	498 61	Local and other funds ...	457·21	416·47
Capital ..	2592·84	3859·23	Deposits ...	227·48	494·60
			Reserve and Depreciation ...	1861·72	1625·72
			Miscellaneous ..	175·74	134·77
Total ...	6185 89	6227·27	Total ...	5443 37	5473·02

The reduction in Cash and Investments, it will be seen, is about Rs. 1,500 lakhs. As against this decrease there has been a net increase under Loans and Advances of about Rs. 261 lakhs and under Capital by about Rs. 1,266 lakhs making a total of Rs. 1,527 lakhs.

The increases under Capital are :—

		Rs. in lakhs.
Railways ...	...	65·42
Irrigation	...	91·33
Electricity ...	...	485·14
Industrial and other Works	...	56·87
Iron and Steel Works	...	188·50
Food Supply ...	...	379·13
Total	...	1,266·39

The increases under Loans and Advances are :—

Advances.		Rs. in lakhs.	*Loans.*		Rs. in lakhs.
Iron Works ...	...	15	Local Bodies	...	11
Electric Factory	...	30	Purchase of machinery	...	32
Plastic Factory ...	...	10	Silk Filature	...	8
Bellara ...	...	1	Gold Mining	...	11
P.W. Department	...	20	Radio and Electricals	...	19
House Building and Cycle Advances.		8	Chrome tanning	...	1
Seeds and Manures	...	60			
Layout of extensions	...	25			
Agricultural implements	...	10			
Total	...	179	Total	...	82

During the above period, heavy food subsidies and disbursement of arrears of pay have been incurred and the Revenue deficits have been adjusted to Reserves.

I may however assure the Hon'ble members that the prescribed percentage of investment of funds owing to outsiders has been kept intact. It can be no violation of financial principles if the money once available from Revenue Reserves or Funds is utilised on Capital projects or Food Subsidies which could not have been abandoned at the risk of country's prosperity.

Need for vigilance.

Nobody is more conscious than myself of the need for a careful watch over our finances. I have had complaints not only from critics but even from my own friends that I have a tight fist, to put it euphemistically. But even so you find already that funds are not available for a number of useful schemes. Government will not relax their efforts at retrenchment wherever possible. Further economies are now left to the Estimates Committee whose recommendations will come up before this House. I hope the Government will have the benefit of their findings after the budget is passed. These findings are sure to be helpful in preparing the estimates for 1952-53.

Taxation measures.

The question as to whether the deficit should be covered or not engaged the attention of the Government and after earnest consideration they decided upon making it good at-least partly. My proposals are the following :—

1. Enhancement of tax on Motor Vehicles.
2. Levy of seating tax on Cinemas.
3. Levy of Health Cess.
4. Enhancement of Registration Fees.

In the case of Motor Vehicles the enhanced taxation will be mostly on lorries on the basis of laden weight as in other States and not on unladen weight as now. Even with this enhancement, the rates will be much lower than those in Madras. The Hon'ble Members are aware of the increasing expenditure on communications and the proposed enhancement is not only justified but inevitable.

The Seating Tax on cinemas is a new levy with reference to the seating accommodation and with varying rates depending on their location. This measure is in accordance with the sentiments expressed often on the floor of the legislature. The Budget will speak for itself the enormous growth of expenditure in Medical and Public Health Departments. It will be impracticable for general revenues to bear this heavy burden unless the resources are improved, although such fresh resources may not bring in appreciable revenue immediately. With a view to cover at least a portion of expenditure on purchase of medicines including D.D.T., etc., it is proposed to levy health cess at 0-0-6 per rupee on items of revenue on which local and Education cess are being levied now.

The scale of registration fees in Mysore is much lower than in Madras. It is considered desirable to step it up to some extent. The scale is therefore intended to be raised by 12½ per cent.

The additional revenue from all the above sources is estimated to be between Rs. 25 to 30 lakhs. There will always be criticism for any taxation measure. But, the Hon'ble Members of this House, in whose judgment I have the fullest faith, will take into consideration the increasing expenditure on nation-building departments and accord their full support to these measures.

One hears quite a good bit of criticism about the Food Operations in the State but it is doubtful if anyone has taken the trouble to compare the conditions in Mysore with other parts of our land. For one thing nature has not been so unmerciful to Mysore and for another our Food machinery both of procurement and distribution has been functioning satisfactorily.

The following are the figures relating to procurement :—

		1950 (From 1-12-49 to 1-12-50)	1951 (From 1-12-50 to 21-2-51)
		In pallas.	
Paddy	...	17,14,209	12,15,572
Ragi	...	4,00,384	34,222
Jola	...	49,830	10,986
Minor Millets	...	8,465	2,474

Food Imports.

During 1950, the Government of India had reduced even the promised assistance of one lakh tons to 75,000 tons, but on further persuasion, the supplies were increased to 96,000 tons against the declared deficit of 168,000 tons.

The members are aware that as a result of overall deficit in India, Government had to painfully reduce the scale of rations to 9 ozs. in the case of 'A' Class holders and Plantation labour, 10 ozs. in the case of 'B' Class and 13 ozs. in the case of manual labour. I hope that this will be only a temporary cut to get over the present crisis facing us and very soon Government of India would be able to restore the original scale.

Reduction of Loss in food Subsidy.

As I had already indicated last time, the State had to suffer a loss of about Rs. 8·50 crores during all these years in the State trading operations and Government have had to adopt the policy of "no-profit no-loss" as in the neighbouring States, a policy which found such a large volume of support at the hands of this House. With the recent revision of sale prices, the net subsidy to be borne by the State will amount to Rs. 16 lakhs which will be met from the Revenue account on imported grains on the basis of quota fixed.

The Government of India have revised the policy of subsidising food grains by restricting it to issues made in selected industrial and urban areas. This may not very much affect the State's position since it is expected that the supply of 70,000 tons from the Centre will be at subsidised rates.

Food Bonus.

Government of India were hitherto giving a food bonus at the rate of Re. 0-8-0 per maund on local procurements and this amount had to be utilised on approved Grow More Food Schemes. They have since changed their policy and the earning of bonus will depend only on imports which were themselves restricted. Although one can appreciate the Government of India's intentions, such sudden changes in policies which once held the field and were an inducement for us at the time of entering into Financial Integration agreement create fresh difficulties to the State.

Food Production Schemes.

The schemes designed to increase food production were drawn up during the year 1949-50 and Government of India have sanctioned grants and loans for many of these schemes.

As against a grant of Rs. 42·63 lakhs and loan of Rs. 29·50 lakhs for the year (up to 30th June 1950), the Departmental figures which are under verification show an expenditure of about Rs. 135 and odd lakhs. Of this, the major items are construction of new tanks (23·41), lift irrigation (20·53), improvement of river channels (23·69), restoration of tanks (28·59), land improvement schemes (10·47) and subsidy for wells (12·10).

For 1950-51 Government of India have sanctioned a grant of Rs. 33·55 lakhs and a loan of Rs. 40 lakhs. The works are in progress and it is hoped that these grants will be fully worked out and results achieved.

Irrigation Works.

A programme for Rs. 90 lakhs has been sanctioned for nine months from July 1950. This includes besides construction of tanks, improvements to existing irrigation systems by means of regrading the channels, installing controlling measures, construction of anes, reclamation schemes, etc. The outlay to end of December 1950 against the programme is about Rs. 37 lakhs and a further outlay of Rs. 30 lakhs is anticipated.

Restoration of Minor Tanks.

An outlay of Rs. 3·70 lakhs has been incurred to end of December 1950 and rapid progress is expected during the remaining months.

Land Improvement Schemes.

Seepage water for irrigated tracts and water in hallas are made good use of by constructing small anicuts. An expenditure of Rs. 7 lakhs has been incurred to end of December 1950.

The total grant provided for Grow More Food schemes in the Budget 1951-52 is Rs. 180·31 lakhs and this includes schemes sanctioned by Government of India and others undertaken by the State Government. Government of India have been approached for a grant of Rs. 57 lakhs and loan of Rs. 80·50 lakhs and there is likely to be favourable response.

	Rs. in lakhs.
Irrigation Works	76·57
Other Works ...	42 24
Loans and Advances ...	61·50
Total ..	180·31

Major Irrigation Projects.

Last year I said that 1951 Census would show a rise in population of Mysore to 82·5 lakhs, but conditions in the State have been so favourable that it has shot up to over 90 lakhs. This, as His Highness the Rajpramukh was pleased to say, would have far reaching effects on the food policy particularly. It, therefore, seems to me that the need for pushing through the three major irrigation projects—Bhadra, Tunga and Nugu—cannot be minimised. The grants provided for the current year including additional funds are being fully worked out. The progress of expenditure is shown below :—

		Grant.	*Expenditure to end of January 1951.*
		Rs. in lakhs.	
Bhadra	...	23·00	14·20
Tunga	...	15·00	10·82
Nugu	...	11·50	6·71

With the meagre resources of the State, it may not be possible to work out the main estimates especially, Bhadra which costs Rs. 20 crores. I am hoping that Government of India will duly consider the importance of such multipurpose projects and render necessary financial assistance although their immediate policy has been to give priority to short-term projects. The following provisions have been made for the three works in the Budget of 1951-52 :—

		Rs. in lakhs.
Lakkavalli	...	15·00
Tunga	...	16·00
Nugu	...	28·00

The larger provision for Nugu, it will be appreciated, is with a view to complete it as early as practicable.

Fresh lands brought under cultivation.

The following figures show the lands brought under cultivation from 1st July 1950 to 31st December 1950 :

		Acres.
New lands	...	17,786
Current fallow lands	...	20,518

With a grant of Rs. 18,300 from the Centre a Cotton Development Scheme was undertaken in the State. As a result of it nearly 18,000 acres of red soils in the 25"-35" rain zone in five districts were sown with the improved long staple cotton M.A.V. against only 5,960 acres in the previous year. In the Black Cotton tracts of Chitaldrug and Mysore an improved variety of medium staple cotton of Sel 69, Jayavanth and Hagari-L resulting in an increased production of 7,000 bales. As a result of this campaign it was estimated that the production of cotton had gone up from 20,000 bales to 35,000 bales during the current year. The total area under cotton had increased from 68,000 acres to 100,000 acres. It is proposed to step up the acreage under M.A.V. and Sel 69 and Jayavanth to 80,000 acres. Cotton Development Work.

Education as it should, obtains the most important place in the Scheme of activities. The total expenditure on Education inclusive of Industrial Education including buildings stands at Rs. 342·96 lakhs. That is nearly 24·8% of the total revenue and is possibly the highest percentage in India. Education.

During the year, 14 District Board High Schools and one Corporation Girls' High School were opened.

As an economy measure the scheme of partial compulsion had to be deferred and sanction was accorded for opening 100 primary schools and 50 new type middle schools.

The training of teachers in Basic Education continued and 55 teachers are being trained. Twenty-eight basic schools were started bringing the total number to 100. Basic Education.

The Special Teachers' Training Centre is working very satisfactorily and by the end of 1950-51 850 teachers will have been trained.

The Scheme of Visual Education was initiated in the second quarter of the school year and about 43,445 have been drawn for the new type of Education. Visual Education.

The Budget 1951-52 besides providing for normal increases on account of increments, additional staff to

existing schools, etc., includes provision for opening of new High Schools (0·50), Middle Schools (1·00), Primary Schools (2·00), adult literacy (5·00), implementing Dr. C. R. Reddy's scheme (2·00). Provision is also made for an increased grant for buildings (7·32), basic training centres (3·02), introduction of Hindi in High Schools (0·25), compensation for loss of fee income in aided Girls' High Schools (0·40), Equipment to Technological Institute (1·00).

University.

In some quarters there seems to be an idea that not enough is being provided by Government for the University. I may point out that in 1946-47 the grant was about Rs. 17 lakhs and in 1947-48 Rs. 19·94 lakhs. Last year the grant was Rs. 39·50 lakhs. It will be seen that there has been a perceptible increase. The grant to the University for the next year is enhanced to Rs. 45 lakhs. Provision has been made for construction of buildings for the several colleges, extra staff for new admissions on a limited scale, increasing the number of lecturers in higher grade, as also Davangere Engineering College, Medical College at Bangalore and Home Science College. It is hoped that the proposals for instituting these new Colleges will be welcome to the House.

You will also be glad to hear of the institution of a Chair of Indology in the University by H.H. the Rajpramukh as a memento of the Centenary of the Maharaja's College.

As I have already indicated in my last Budget Speech while the expenditure on Education is mounting up, the scale of fees has remained at the lowest level in India. The question of enhancing fees in the different grades of Education and reducing the fee concessions has to be examined. Otherwise, Government may not be able to bear the heavy and increasing strain of the Educational budget in future.

Of all the demands of the people on the Revenue those for Educational Institutions and Electricity are the largest and most insistent. The tendency to ask for Government institutions is almost universal. Even those who are already running aided schools desire sometimes their conversion into Government schools. Mere

quantitative expansion at the cost of quality will not only not yield results but create problems. A number of institutions are as yet ill-equipped and understaffed. Their needs seem to deserve prior consideration.

Technical Education.

The Government being alive to the situation have been encouraging the growth of industrial and technical education. The Occupational Institute at Bangalore is almost the best of its kind in India. Of the five others sanctioned, three have already begun to function at Hassan, Bhadravati and Chintamani. There is a large sprinkling of industrial schools which it is the intention of Government to convert into production *cum* training centres. The total grant under Industrial Education is Rs. 18·55 lakhs.

Medical.

The total number of Medical institutions increased from 470 to 490 at the end of 1950. There was on an average one institution for an area 62·0 sq. miles and for a population of 15,430.

The B.C.G. vaccination scheme has been put into operation from 1st March 1950. In view of the increased number of patients the expenditure in all hospitals has been increasing and provision has been made accordingly in the budget. Provision is included for equipment to the new Pathology Department in the Victoria Hospital (0·75) and equipment to the Krishnarajendra Hospital (1·80), equipment to Maternity Hospital, Malleswaram (0·50), opening of new dispensaries (1·10), upgrading of Mental Hospital (1 lakh), B.C.G. Vaccination (0·60), additional staff and equipment to Department of Indian Medicine (0·40), etc. The grant provided for Medical buildings under Civil Works is Rs. 13·94 lakhs.

Public Health.

The Government have attached considerable importance to health measures in the State particularly in malnad area. Increased and timely measures against the control of epidemic diseases, namely, Plague, Small-pox and Cholera were undertaken and the threatened spread of the diseases controlled well in time.

There were 119 health units working at the beginning of the year 1950-51. During 1950-51, one more health

unit was sanctioned for Kammardi, Chikmagalur Distict, making a total of 120.

D.D.T. spraying has been undertaken in 81 health units in Malnad District and Krishnarajanagar Health Unit, and channel villages of Chennarayapatna Taluk. Spraying has begun in the remaining health units. After the first application of D.D.T. spraying in Sagar Town, no plague cases have been reported since a period of eighteen months. This is indeed a noteworthy feature of D.D.T. spraying.

A scheme for changing from pyrethrum to D.D.T. spraying in the Mandya District has been sanctioned at an estimated cost of Rs. 5·69 lakhs. Arrangements have been made to start D.D.T. spraying in Maddur area with a motorised unit in order to see to what extent this will prove to be more economical.

Malaria Research Centre at Saklespur started in collaboration with Rockefeller Foundation, and Malnad Malaria Control Demonstration Project at Sagar—a joint enterprise of W.H.O./UNICEF, Government of India and Government of Mysore have been working satisfactorily.

Requisitions have been received from Madras, Bengal and Calcutta for the supplies of vaccine lymph from Vaccine Institute and it is expected that ten lakhs doses of vaccine will be supplied to the outside States.

A sum of Rs. 10,000 has been sanctioned for carrying on certain scientific investigations on Nutrition in the State in collaboration with Rockefeller Foundation.

The formation of a Bureau of Industrial Hygiene with a view to look after the functions of the Medical inspection of Factories also, is under active consideration of the Government.

A total of 201,000 lbs. of Dry Skim Milk Powder has been supplied as a free gift to the Mysore State by the United Nations International Children's Emergency Fund.

Keeping in view the importance of health measures, increased grants have been provided for all the existing health units besides fresh provisions for revival and opening of health units at Sagar, Mallasandra, Hole-Narsipur, etc. (2·40), taking over health units from W.H.O. (1·50), purchase of D.D.T. (6·0), etc.

Electricity.

I now come to Electricity for which there is an ever increasing demand. The policy of Government has been to extend power facilities to as many places as possible. The desire of Government is evidenced by the fact that expenditure on electrical capital has increased from Rs. 110·75 lakhs in 1946-47 to Rs. 416·33 lakhs in 1951-52.

As the demand for power within the State as well as from the neighbouring provinces has increased, a study of the prospective demand was made and it is found that an assured demand during 1955-56 will exceed the combined capacity of the three generating stations, *viz.*, Sivasamudram, Shimsha and Jog. Therefore, surveys are being conducted regarding exploitation of the two main valleys in the State, *viz.*, Cauvery and Sharavati, for increasing the power production.

The number of installations that were in service at the end of September 1947 as compared with those at the end of 31st December 1950 are as below. They give an idea of the rapid progress made.

		Up to October 1947.	*Up to end of December 1950.*	*Increase.*
1.	Lighting installations ...	63,072	91,674	28,602
2.	Irrigation pumps ...	1,089	2,157	1,068
3.	Power installations ...	3,886	6,166	2,280
4.	Heating installations ...	2,749	5,022	2,273
5.	Street lights ...	20,294	25,055	4,761

It is expected that all works connected with both the stages of Mahatma Gandhi Hydro-Electric Works will be completed by 1951-52.

In accordance with the desire of Government to make power available to irrigation pumps, every effort was made to see that this demand was met as expeditiously as possible in the areas where the need was the most. It has to be stated that but for the difficulties experienced in securing the electrical materials, which are in very short

supply, the progress achieved would have been considerably more than what has been done. However, every opportunity was taken to secure the materials required and push through the various schemes of augmenting both generation, transmission and distribution system throughout the State.

Transmission.

A comprehensive net-work of transmission throughout the State has been planned and the work has been undertaken. The completion of the construction of all the transmission lines proposed will enable the department to make the power generated at the three generating stations available throughout the State. The new proposal consisted of construction of 110 KV, 66 KV and 33 KV transmission lines. Of the programme on hand during the period from 1947-48 to 1950-51 construction of the following transmission lines was completed—.

(1) Two hundred and seventy miles of 11 KV, 100 miles of 66 KV and 77 miles of 33 KV lines have been completed.

(2) The existing 75 miles of No. 1 Jog-Bhadravati line were remodelled from 78 KV to suit 115 KV.

Preliminary work for the construction of the III and IV Jog-Bhadravati 110 KV transmission line, like jungle clearing, collection of stores, fabrication of steel towers is just taken up.

Step-down Stations.

It was planned to instal step-down stations of adequate capacity at important points on these transmission lines, so that practically the entire State may be covered with the distribution system from each step-down station not exceeding in length by about 30 miles. Eight such centres having a capacity ranging from 3,000 to 1,500 KVA. were initially proposed. The equipment is a self-contained step-down station with transformers, arresters, low tension switch-gear and busbar. Seven of these were serviced at Sagar, Shimoga, Davangere, Tumkur, Mandya, Tiptur and Chitaldrug and one more at Chikmagalur is under erection and will be serviced shortly, with the result that at each one of these places where power to the extent of only 150 and 300 KVA was available for distribution to the rural areas, it is now possible to make power available to the extent of 1,500

and 3,000 KVA. Apart from these, small step-down stations in areas where the demand is not very high have been established providing a capacity up to 300 KVA in each one of these places. The capacity at Channapatna, which is the centre for distribution in this area, has been increased from 750 KVA to 3,000 KVA. Goribidnur has now an increased capacity of 750 KVA which gets power from 35 KV line feeding Pavagada. Further action has been taken to order for equipment for installation at three more centres—Chikballapur, Dodballapur and Hassan—so that the capacity available at each one of these places is increased from about 600 KVA to 1,500 KVA each.

Orders have been placed for equipment for increasing capacity of the receiving stations at Bangalore and Mysore.

Distribution.

With regard to the electrification of towns and villages, considerable progress has been made. A special staff has been appointed recently to make load surveys and prepare necessary estimates for the electrification of towns and villages with the result that during the last eighteen months surveys have been conducted in respect of 660 villages and detailed estimates have been prepared in respect of about 630 villages. Some of these estimates have been sanctioned by Government and some are under their consideration. In order to meet the increased demand of distribution transformers, the Government Electric Factory has placed large orders for the silicon steel and copper wire required for the manufacture of these transformers. However to meet our immediate requirements, transformers have been purchased from other electrical dealers in addition to the order placed with Government Electric Factory.

Another important work undertaken by the department during the above period was the conversion of frequency throughout the State, which is a difficult task involving delicate dealing with the consumers and this work is being accomplished slowly but steadily with the result that all areas to the north of Bhadravati, including Bhadravati, and Tiptur some parts of Hassan District, North-western portion of Mandya taluk have been converted to 50 cycles. The work on the other areas

towards Bangalore, between Tiptur and Tumkur, and Mysore is on hand and the progress is quite satisfactory.

The work of inter-connection of the three receiving stations in Bangalore by underground cable an estimate for which was sanctioned by Government is almost completed.

There has been large demand for electrification of towns and villages. Government have been providing liberal grants for the purpose. Provision of Rs. 100 lakhs for power supply to towns and villages and Rs. 100 lakhs for power supply to irrigation pumping sets have been made during 1951-52.

Negotiations with other States.

During the above period, negotiations with the Government of Madras, on the question of power generation at Mekedatu were concluded satisfactorily and detailed surveys of the scheme were undertaken and the scheme is getting ready for consideration.

Power supply has been made available to the Government of Madras at three points on the border, *viz.*, Kollegal, Ujjani and Vittalapura. Power supply to Hindupur and Ceded Districts was given. Power supply to South Canara is under active consideration of Government. Other schemes for power supply under consideration are :—

1. Power supply to Hosur.
2. Power supply to Coorg.
3. Power supply to Dharwar and North Canara.

Industries.

In the sphere of industry in addition to maintaining the normal progress of works in execution, the work of consolidation and re-organisation was taken up during the year.

The Mysore Industrialists will be glad to know that the Government of India have extended the operations of the Industrial Finance Corporation to the State. It will now be possible for the bigger industries to seek assistance from the Corporation.

With a view to regulate the procedure for the grant of the financial and other forms of assistance to small industries, the State Aid to Industries Bill was introduced

at the last session of the Legislature and has since been examined by the Select Committee appointed for this purpose. Its report is before the House.

The Government of India have also been greatly concerned with the problem of placing our industries on a sound basis and with this end in view, the Ministry of States instituted a survey of our industries by the prominent Indian industrialist Shri Kasturbhai Lalbhai. After a thorough personal investigation of the working and financial condition of several State-owned and State-aided concerns, Shri Kasturbhai has just submitted his recommendations to the Union Government. The House will be gratified to learn that his report, on the whole, speaks in appreciative terms of the part that the State Government has all along played in the development of industry and that his recommendations are, for the most part, in conformity with our views. Several helpful suggestions have also been made in regard to individual concerns and are receiving our earnest consideration. I should like to take this opportunity of expressing our gratitude to Shri Kasturbhai Lalbhai for the time and attention he has so ungrudgingly devoted to this strenuous task.

Iron and Steel Works.

In my last budget speech I had indicated the several developments proposed in regard to the Iron and Steel Works at Bhadravati. You will be glad to know that the installation of the electric pig iron furnaces with a productive capacity of 100 to 110 tons per day is in progress. The foreign expert to erect the machinery has arrived. These furnaces are expected to go into operation by the end of the calendar year. The Acetic Acid Plant is also expected to start working very shortly. The creation of the new Ferro-Silicon Plant with a productive capacity of 7,000 tons per annum has been completed and the plant is now in operation. The expanded Cement Plant has also gone into production.

In respect of these development schemes an expenditure of Rs. 128 lakhs has so far been incurred and further amount of Rs. 165·39 lakhs has still to be spent. I am glad to say that Government have accorded administrative sanction to the Bessemer Electric Duplex Plant and a Billet and Light structural mill. With

these two improvements it will be possible to convert the pig iron into various categories of consumable steel. The Government of India Planning Commission has recognised the high priority of the schemes pertaining to the Iron Works and in the context of the existing world situation and the crisis that has arisen from the stock-piling of metals in the West, we are confident that the needs of Bhadravati will receive special consideration at the hands of the Union Government. The manufacture of special tool and alloy steels is also equally urgent in the peculiar position of the Works as a producer of high quality pig iron and steel but has had to be deferred owing to financial stringency. The present crisis will, we feel, focus attention on the potentialities of Bhadravati and enable us to obtain the necessary assistance to put this scheme through. The total provision made for Iron and Steel Works including Bessemer Plant and Billet and Light Structural Mill is Rs. 126·42 lakhs and for Cement Plant extension it is Rs. 9·83 lakhs.

The Fertiliser Factory.

I am sorry the Fertiliser Project has not made the progress anticipated. Finance has of course been the main bottleneck all along and to this has now been added another, the difficulty of obtaining Sulphur from abroad of which we need about 6,000 tons per annum. I have recently been assured by our consultants that the establishment of a similar project in the Phillipines will result in bringing down our planning and engineering costs appreciably and reduce the cost of fabrication of equipment, while the possibility of substituting Sulphur by the pyritis available in our State at Ingaldal in Chitaldrug District is likely to solve the raw material problem. A provision of Rs. 30 lakhs has been made in the Budget 1951-52.

The Westinghouse Scheme.

The Westinghouse proposal for the overall expansion of the Electric, Porcelain and Lamp Factories is another of our major projects that could not materialise as rapidly as desired. It must be evident to the Hon'ble Members that, situated as we are a matter of Rs. 10 crores is no easy proposition. For a start, however, Government have accepted, in principle, a proposal for the expansion of the Government Porcelain Factory in order to enable it to cope with the heavy nationwide demand for Electro-porcelain and detailed schemes in this connection

are under examination. Proposals for bifurcating the Ceramic Section of this Factory from Electro-Porcelain Section and for the setting up of a separate Ceramic Factory for the manufacture of crockery are also being considered. Crockery is an industry where it is possible effectively to integrate cottage industry methods with the factory set-up; this as you are well aware is the pattern in Japan and, being admirably suited to Indian conditions as well, I am confident that it will prove equally a success in our State also. A provision of Rs. 20 lakhs has been made for High Tension Insulators Project.

Gold Mining.

The Bellara Gold Mining working under the control of the Geological Department could not make much progress in view of several difficulties such as want of power-supply, water and machinery. The power has been since made available and water supply will also be given shortly. The 10-year programme requires a total outlay of about Rs. 24 lakhs and the entire development programme will be pushed through. This industry will not only train many of our youngmen and provide employment but may turn out to be a major source of our revenue as the K.G.F. mines.

Government Soap Factory.

In view of the ever-increasing demand for Mysore Soap, we have undertaken an expansion scheme which envisages enhancement of the present output of about 500 tons to 3,000 tons with provision for stepping it up to 5,000 tons per annum eventually at an estimated cost of about Rs. 50 lakhs. The expenditure will be spread over a period of four years and the scheme will be executed in two stages. A provision of Rs. 1·25 lakhs for capital, and Rs. 5 lakhs for working advance have been made.

The Mysore Lamp Works.

Thanks to the installation of the newly imported Automatic Machinery the production of lamps has been stepped up from 2,000 to an average of about 6,000 lamps a day, and is expected to reach the target of 10,000 per day very soon.

TheRadio and Electricals Manufacturing Company.

The vicissitudes through which the Radio and Electricals Manufacturing Company, in which we have 60 per cent interest has had to pass since its inception are not news to the House and it is gratifying to note that it

has been doing its best to weather the storm. The current year's production of radio receivers works out to nearly 7,000 sets. The radio receivers produced in the factory have been tested by Messrs. International General Electric Company Inc. and the test reports received are very gratifying indeed. It is hoped that this concern will soon get over the severe financial setbacks it has suffered. Provision has been made for the loan under cash credit accommodation and for investment in the proposed increased capital.

Energy Meters

Realising that it cannot cut its losses and cannot show successful results by confining itself solely to the radio industry REMCO has taken up various additional lines, one of the main items being the manufacture of Energy Meters to meet the requirements of the Electrical Department. Government have welcomed the proposal and a scheme for their production in collaboration with Messrs. Tokyo Shibaura Electric Company of Japan has been sent up to Government by Janab M. Hayath, Chairman of the concern, who visited Japan recently in this connection.

Plastics Division.

During the current year the division of Plastics has manufactured products of the value of Rs. 3·72 lakhs which have been finding a ready sale. The quality conforms strictly to British Standard Specifications and considering that the factory is equipped to meet the entire Indian demand it is bound to play an important role in the industrial advancement of the country. In view of this we are confident that the Government of India will come to its assistance in regard to securing such raw materials as copper conductors, etc., and also in seeing that no unhealthy competition is allowed to develop.

The Mysore Sugar Company.

The unfortunate drying up of the Krishnarajasagar reservoir last summer hit the Mysore Sugar Factory very hard. I am glad to say that the prospects during the next year are very bright and it is hoped that they will be able to make up at least partially the losses sustained during the current year. The factory's confectionary plant went into production in May 1950 and is turning out high quality sweets for which there is a ready and growing market. The company has in hand an expansion scheme which aims at stepping up its sugar production to 2,000 tons.

would be enough if the waste silk of South India would be reserved for the use of the Mysore Spun Silk Mills, the only one of its kind in India. Their demand of waste silk is about 8 million lbs. and the rest could be exported. In this the demand of the Mills is supported by the Silk Panel.

Cottage Industries.

As the Hon'ble Members will well appreciate, the organisation and development of cottage industries is a problem of vital concern to a People's Government. The progress achieved has not perhaps been quite so satisfactory as one might desire, but it has certainly not been discouraging. There are now 51 centres functioning under the three-year plan and affording facilities for training local artizans in pottery, smithy, mat-weaving, lacquerware, tanning, leather-stitching, coir manufacture and various other industries. Functional experts for all these industries have been appointed and their assistance and advice is to be had for the mere asking. Some of the production *cum* training centres have shown phenomenal progress. For instance, the pottery centre at Ramanagaram with a small kiln set up at an approximate cost of Rs. 500 and with processed raw material supplied by the Government Porcelain Factory can now manufacture low tension electrical accessories such as cleats, meter-boards, insulators, and insulating beads. It has also devised a process for the manufacture of country tiles which eliminates the cumbersome potter's wheel and makes it possible for the women and children of the family to assist the male bread-winners thus increasing the income of the entire household. With a view to making cottage industries more productive, improving quality and standardising the finished products, Japanese Cottage Industry methods are being introduced and steps have been taken to import Japanese Cottage Industry machines. A total provision of Rs. 12 lakhs including Visvesvaraya scheme has been made.

Handloom Weaving.

In order to revive the handloom industry and to regulate the distribution of yarn to weavers as also to assist them in marketing products the Provincial Handloom Co-operative Society to which I made a reference this time last year has now come into being and has taken over the management of the 60 yarn depots and 10 production centres including the Government Dye House.

The Government Sandalwood Oil Factory

The Government Sandalwood Oil Factory has made good progress and is expected to have a record year. It will be seen that from next year sandalwood will have to be paid for at market rates. That accounts for the Budget showing less receipts while the receipts under forest shows a corresponding increase by about Rs. 60 lakhs.

The Mysore Implements Factory.

With a view to find a ready demaud for the products of the Mysore Implements Factory at Hassan, it is proposed to increase production and reduce costs of the popular varieties of goods, by mechanising the operations as far as possible. A provision of Rs. 5 lakhs has been made for mechanisation of the factory.

Silk Weaving Factory.

The expansion of the Government Silk Weaving Factory has been in the offing for some considerable time now. It is now proposed to execute the scheme in two stages. A provision of Rs. 5·20 lakhs has been made for the purpose.

Sericulture.

The Sericultural Industry in Mysore has always been the subject of special solicitude and the year under review has been no exception. In order to ensure production of better quality cocoons, about 1·5 crores of disease-free layings were produced. A most up-to-date silk reeling machinery recently imported from Japan has been installed at T.-Narsipur and is being worked by a Japanese Expert.

The necessity for the adoption of a stable import policy has been impressed on the Government of India so that violent fluctuations in silk prices may be avoided. Sixty thousand lbs. of foreign silk was imported for the benefit of Handloom Weavers and distributed through the recently organised Mysore Provincial Silk Handloom Weavers' Co-operative Society.

Spun Silk Mills.

The Spun Silk Industry in the State which made a very good recovery of late, has again been faced with a crisis on account of the export of waste silk to foreign countries. The threat of war has naturally created a great demand for waste silk in foreign countries and the Centre has been urged to regulate the export. It would be obviously a wise course to convert this valuable war material into a finished product within the country. It

would be enough if the waste silk of South India would be reserved for the use of the Mysore Spun Silk Mills, the only one of its kind in India. Their demand of waste silk is about 8 million lbs. and the rest could be exported. In this the demand of the Mills is supported by the Silk Panel.

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While the weavers have welcomed this scheme which would make yarn available at less cost the yarn dealers, both wholesale and retail, complain that they have been hit hard and their normal trade channels should not be choked just to support the co-operative venture among weavers.

The scheme for setting up a Central Sizing and Finishing Plant at Doddaballapur at a total cost of Rs. 3½ lakhs is being implemented through private enterprise. Government have sanctioned the establishment of a Handloom Research and Designing Centre at an estimated cost of Rs. 30,000 and 50 per cent of this expenditure is to be met by the Central Government. The work will be taken up very shortly.

Khadi Development.

The Special Committee appointed to review the position of the Khadi industry and to suggest ways and means for its development has since submitted its report and copies of it were placed in your hands at the last session. It will be seen therefrom that it raises certain grave issues upon which opinion is divided and there has consequently been a certain amount of delay in taking decisions on it. It is however expected that matters will be finalised very shortly. Pending consideration of the Khadi Development Committee regarding the terms of service of Badanaval Spinning Circle employees, they have been given lumpsum increments. Government have also given a sum of Rs. 20,000 to the Mysore Charaka Prachara Sangha, Chitaldrug, as a free grant for starting a Vidyalaya and a Charaka Workshop and a sum of Rs. 8,250 for the construction of buildings at Medikeripura.

Fruit Preservation Centre.

The Pilot plant set up last year with a view to explore the possibilities of fruit canning in Mysore has shown encouraging results and the experiments carried out so far have been quite successful. Although mainly an experimental plant it has aimed at self-sufficiency by marketing its products. As soon as certain experiments now on hand are completed the question of setting up a regular Canning Unit on a commercial scale will be taken up.

Glass bangles.

A word about the development of the glass bangle industry in the State. A very small quantity of crude

black bangles is being produced in a few villages by antiquated methods. Bangles of the value of over Rs. 5 lakhs are being imported annually. The bangle expert has now set up a training centre mainly with a view to train village workers with a view to develop the industry on a cottage basis. The cost of the entire equipment including the furnace is only about Rs. 2,500, which can enable a family to earn a minimum net income of Rs. 100 per month. The large-scale production unit at Holalkere (three tons capacity) has also gone into production in the current year.

Rural Industrialisation Scheme.

As the Hon'ble Members are aware, about this time last year we embarked on the scheme of intensive rural industrialisation under the inspiring guidance of Sir M. Visvesvaraya and introduced it in the Bangalore and Kolar Districts to begin with. Under this scheme, the two districts have been divided into 208 unit areas each with a Village Group Development Committee of its own. Essential statistics have since been collected by about 150 Committees and figures of per capita income worked out.

The total collections in the Bangalore District amount to Rs. 1·17 lakhs and those in the Kolar District to Rs. 1·28 lakhs. These are voluntary contributions. Government sanctioned an expenditure of Rs. 4½ lakhs for this scheme during the year and the Central Government have also shown their keen appreciation of our efforts by sanctioning a grant of Rs. 2½ lakhs.

So far about 50 minor cottage industries have been started in the Bangalore District and 51 in the Kolar District, the total capital invested being Rs. 62,420. In regard to medium industries two tile factories have been set up and four more are being established at various centres.

With a view to assist in the marketing of the products, a small Emporium has been opened at Bangalore.

You will be glad to know that Sir M. Visvesvaraya has been taking a live interest in the scheme. He has been good enough to take the chairmanship of a high-power committee which controls its operation.

The demand for compost is increasing and during nine months ending December 1950, 13,082 pits were dug in villages producing nearly 80,000 tons. Eighty Town Municipalities are actively engaged in preparing town compost manure and the municipalities are being persuaded to open more depots and conserve town refuse. The Budget 1951-52 provides Rs. 4·47 lakhs for the compost scheme. Rural Compost and Town Compost.

The balance at the credit of village panchayets at the end of 1949-50 was Rs. 54·83 lakhs. The following figures are available in regard to the important item of works done during 1949-50 :— Village Panchayets.

Number of wells completed	...	588
Number of drainage works	...	352
Village extensions	...	306
Plots allotted for manure	...	2,268
Topes formed in	...	1,951 Villages
Unsightly pits removed in	...	1,674 ,,
I.V.C. roads formed	...	288 miles
Adult literacy classes opened	...	7,615

A provision of nearly Rs. 6 lakhs for rural communications and increased provision of Rs. 12 lakhs for rural water supply have been made in the Budget 1951-52.

At the beginning of the year there were 187 veterinary institutions and sanction has been accorded to open six more before the close of the current year. This works out at 26,000 heads per institution. As a result of effective action the Rinderpest disease was brought under control. Animal Husbandry.

During the year the Serum Institute manufactured a total quantity of 891,405 unit doses of sera and vaccine

The Veterinary Research Section was engaged in the investigation of obscure diseases and production of new biologicals. Some of the schemes are being partly financed by the Indian Council of Agricultural Research.

About 4,000 heads of cattle are being reared under different systems of management and the stud bulls produced were distributed at concessional rates.

Since the scheme of Livestock Improvement was started, a total of over 500 bulls have been distributed free among the ryots. In addition, a total premia of Rs. 23,900 have been given away to deserving private owners at Rs. 100 each.

At the two Artificial Insemination Centres, one at Bangalore and the other at Mysore started in 1947-48, about 2,570 cows have been inseminated with 60 per cent success.

Hessarghatta Farm.

The Department has been reorganised and Hessarghatta bids fair to become a model composite livestock farm, the activities including among others:—

1. Remount Breeding.
2. Pony Breeding.
3. Sheep and Goat Breeding.
4. Poultry Farming.
5. Dairy Farm.
6. Dry Cattle Farm.
7. Fisheries.
8. Grass Cultivation.

The Dry Cattle Farm at Hessarghatta has been expanded so as to provide for 250 dry cattle.

The Dairy Farm started at Hessarghatta in August 1949 is now producing over 100 seers of milk daily and the entire quantity is disposed of on contract system. The present strength consists of 72 cows, 39 buffaloes, 53 heifers and 75 calves.

The Sheep Farm started at Hessarghatta in lieu of six other farms which were closed is working very satisfactorily. Its total strength inclusive of lambs is 459.

Poultry.

Poultry has been recognised as a good subsidiary industry for agriculturists but it promises to become quite a profitable industry by itself. The large-scale Poultry Farm at Hessarghatta is thriving well and there is great demand for poultry and hatching eggs from rural parts. The farm hatched 4,000 chicks, distributed about 10,000 eggs and 1,000 birds during the year. The demand for them is on the increase.

There are at present 5,130 co-operative societies with a membership aggregating to 470,360. The total paid-up share capital amounts to Rs. 121 lakhs and total working capital exceeds Rs. 541 lakhs. The Land Mortgage Bank has extended its operations to the entire State. Though the Bank has so far advanced to the extent of more than Rs. 77 lakhs, its activities have touched only a fringe of the problem. The question of issue of further debentures and obtaining accommodation through Banks is under consideration. Co-operative Societies.

Government have sanctioned loans aggregating Rs. 7 lakhs to the several House-building Societies for the development of housing on co-operative lines and a provision of Rs. 10 lakhs has been included in 1951-52 for loans to co-operative societies including sanctions already accorded.

The Government are convinced that the economic growth should be more and more along the lines of co-operation. The recommendations of the Co-operative Seminar held at Nanjangud are being implemented. The House is aware of the fillip that the movement got with the establishment of Multipurpose Co-operative Societies all over the State. It may be that some of them may not be functioning as efficiently as one would expect them to. But the blame, if any, for such rests on the members themselves. It has to be conceded that a large number of them are functioning satisfactorily and have provided fine opportunities to the people for self-help and initiative.

During the year, a number of Provincial Societies like the Provincial Cotton Handloom Weavers' Society, Provincial Silk Handloom Weavers' Co-operative Society, Provincial Powerloom Silk Manufacturers' Co-operative Society, Co-operative House-building Corporation have been formed.

As a result of rapid drive undertaken for the expansion of the movement, 82 taluk and 746 circle societies have been formed and they have been very popular in the rural parts. Multipurpose Societies.

The Government of India have sanctioned a grant of Rs. 2·99 lakhs for the revised scheme. Thirteen societies Co-operative Farming

have been formed and more than 1,728 acres of land have been brought under cultivation. A sum of Rs. 0·50 lakh has been provided in 1951-52.

District Boards and Municipalities.

The total grant provided in the Budget for improvement works in towns and municipalities is as under :—

	Rs. in lakhs.
Water supply in towns and minor municipalities.	5·00
Improvement of towns and minor municipalities.	5-00
City Improvement Trust Board, Mysore ...	2·75
City Improvement Trust Board, Bangalore ...	9·00
Bangalore Corporation ...	0·15
Mysore City Municipality ...	0·50
Davangere City Municipality ...	0·80
K.G.F. Sanitary Board ...	0·60
District Boards ...	3·07
Total ...	26·87

It will be seen that for the first time Mysore City Municipal Council gets Rs. 50,000 and the grants to Davangere and K.G.F. Board are increased by Rs. 30,000 and Rs. 20,000, respectively.

A Bill to amalgamate the activities of the District Boards, Village Panchayets and Development Committees is now before the Assembly and this will bring in a new orientation in their working. The House will, I am sure, welcome this genuine attempt at decentralisation of power. This is a rather revolutionary step in so far as a definite share of Land Revenue is going to be placed in the hands of the Village Panchayets and District Boards.

Bangalore Trust Board.

The 50 D-type houses and 104 tenemental quarters constructed by the Bangalore Trust Board have all been allotted to officials and others in the ratio of 75:25. The construction of 260 quarters in Rajajinagar under the Labour Housing Scheme and 50 houses for Refugees on the sites reserved for them in Jayanagar has already been taken up.

The work pertaining to the formation of the layout of the Northern Zone of the Industrial Suburb has been

completed and sites are being allotted to the Industrial lists. A colony with all the amenities of a modern town providing 4,000 sites for labourers and other poor and middle class people has been developed for the formation of housing colonies in the area under the scheme, and 3,000 sites have already been formed.

The question of evolving a Master Plan for Bangalore which envisages its growth of the City for another fifty years to come is under consideration.

Mysore Trust Board.

The Mysore Trust Board is pursuing actively the policy of constructing model houses to suit the need of the poor and middle class people. It is decided to construct 48 model houses at Ittigegud. Two sets of 12 each have already been constructed and the work pertaining to the construction of the remaining houses is taken up.

Arrangements are being made to start early the work of forming the layout for the New Bamboo Bazaar in Mysore South ; the scheme for the formation of an Industrial Suburb in the same area is sanctioned.

Labour.

A provision of Rs. 1 lakh for reorganisation and welfare and an advance of Rs. 4 lakhs for housing have been provided for Labour Department.

Jails.

Many improvements on the recommendations made by the Prison Reforms Committee have been taken up. Increased amenities have been granted to the prisoners. A provision of Rs. 1 lakh has been made for Jail manufactures for purchase of equipment and improvement of jail industries.

Law and Order.

The strength of the Police Force in the State is about 12,731 and the expenditure on Police Department is Rs. 92 lakhs per annum. When compared to other States this may not be considered as a liberal or extravagant expenditure. Although the general law and order position throughout the State is normal, certain incidents occurred in the borders near Harihar and special measures are being taken to guard the frontier with the co-operation of the neighbouring State of Bombay.

Palace Guards.

Government have decided to reduce the strength of 'B' forces to two companies and bring down the cost to

Rs. 3 lakhs from 1952-53 and a savings of nearly Rs. 5 lakhs has already been taken into account in 1951-52.

Housing of Depressed Classes.

During the year 1949-50, more than 4,900 houses were constructed and 184 cases of acquisition of lands sanctioned. A provision of Rs. 19 lakhs has been made for 1951-52.

The following figures show progress achieved from 1944-45 :—

Year	Amount sanctioned	No. of Acquisition cases sanctioned	Cost of acquisition met	No. of houses completed	Cost of construction of houses	Remarks
	Rs. in lakhs		Rs.		Rs. in lakhs	
1944-45 ...	0·75	41	10,663	149	0·08	...
1945-46 ...	2·00	120	21,371	705	0 57	...
1946-47 ...	5·83	156	56,275	1,141	1·62	...
1947-48 ...	13·00	157	59,865	2,343	5 03	...
1948-49 ...	18·00	130	60,165	4,984	14·80	...
1949-50 ...	19 00	184	1,00,800	4,981	11·74	(Nine months)
1950-51 ...	19·00	106	95,240	2,7 59	8·88	(Up to the end of December 1950).
Total ...	77·58	894	4,04,379	17,062	42·72	

Beggar Relief.

Government have been sanctioning a grant of Rs. 2 lakhs every year. At the end of December 1950 there were 117 beggars in the Relief Centre. About 15 acres of land were brought under cultivation with the help of the inmates. The Colony has a mat weaving centre and a primary school. Since the introduction of Beggar Relief Act the begging nuisance in Bangalore and Mysore Cities has been considerably reduced and this could be completely eradicated only with the co-operation of the public.

Loans and Advances.

The following are some of the important items of loans and advances provided for :—

		Rs. in lakhs.
1.	Land improvement and takavi loans ...	8·00
2.	Irrigation wells ...	7·50
3.	Purchase of pumps ..	25·00
4.	For bringing current fallows under cultivation	15·00

		Rs. in lakhs.
5.	Short-term credits to agriculturists ...	5·00
6.	Loans to co-operative societies and banks.	15·00
7.	Loans for cottage industries ...	3·00
8.	Advances for purchase of seeds and manures.	30·00
9.	Loans for purchase of machinery, etc. ...	1·00

Triennial Rise in Expenditure.

I would like to indicate to the House the proportions to which expenditure on nation-building schemes have increased in recent years. The details are to be seen in the Explanatory Memorandum. From a total of Rs. 352·52 lakhs in 1946-47, the year before the new Government took up office, the expenditure has gone up to Rs. 925·97 lakhs—a more than 160 per cent increase. Expenditure under Education has increased by two and a half times, Agriculture by eight times, Veterinary, Sericulture, Industries and Medical by three times, Public Health by six times, not to speak of new departments like Labour and Rural Development. The capital expenditure has gone up from Rs. 160·44 lakhs to Rs. 377 lakhs in 1948-49, Rs. 357 lakhs in 1949-50, Rs. 430·70 lakhs in 1950-51 to Rs. 764 lakhs in 1951-52.

It may be that a portion of the revenue expenditure may be due to increased salaries. It cannot be denied that there has been very much more of all-round activities now than ever before. With the dawn of freedom and the passing of power to the people there has been naturally a phenomenal demand for increased expenditure at social services. There is in addition the normal increases due to increased cost of materials and labour, to increments to staff, extra staff and equipment and expansion schemes. With the present demands on the exchequer it will be well nigh impossible to meet all these obligations. The search therefore for economies must continue unabated. I would however quote a sentence from the recent very illuminating budget speech of Sir Chintamani Deshmukh, Finance Minister to Government of India. Talking of reduction, he says: "The reduction of even Rs. 5½ crores in Civil Expenditure envisaged in the Budget may not at first sight appear substantial, but I must remind the House of the somewhat limited scope available for contraction of expenditure." Any idea of a welfare State

presupposes a willingness to bear the requisite burden. To aspire for the one without preparedness for the other betrays a lack of responsibility. Let us note that fresh sources of revenue are needed not only to meet the ever-growing demands of the people but also to meet the increasing interest and sinking fund charges. Nor can we ignore the prospect of a diminishing grant which the Financial Integration agreement contemplates. It will demand all the wisdom and care to plan for the future in these circumstances. As regards the future capital expenditure it is well to realise that they could only be incurred from borrowed funds. I think the days of revenue surpluses are gone, at any rate for a good time to come.

Retrospect.

As I have said, by the time of next budget a new Legislature and a new Cabinet will be functioning. Even a brief retrospect will show that the results are satisfactory. If the small things of the immediate surroundings are not to envelop us, and things are viewed in the proper perspective one can discern some well-known landmarks. The 562 Indian States in different parts of India were integrated into a few Unions. Mysore's integrity as a political entity in the Union remains intact. Would it be too much to say that a slight wrong handling might have jeopardised that integrity ? I would go a step further and say, that in all matters pertaining to Indian States the lead given by Mysore has been acknowledged to be extremely helpful. Then take the question of Federal Financial Integration. I am reluctant to speak much about it having been a principal actor in the negotiations. I would ask you to believe me when I say that nothing could have been more satisfactory than what has been secured. So much is said here about Food and Grow More Food operations. If you know how meticulously our schemes have been examined and how well they have stood the test and how confidently they have attracted the loans and grants from the Centre, you —I refer to some of the bitter critics in the opposition— would be a little sparing in your criticisms. Shall I say a word about our plans sent to the Planning Commission ? Do you know that each one of our schemes is so thoroughly scrutinised and every detail so worked up before submission that it has not been difficult to carry conviction to those in charge of planning ?

Whether it is a project regarding Major Irrigation or Electricity or Industries or any other scheme, it is a proposal that can stand any test it may be subjected to. I could refer to some of our legislative measures but that may take too long. They reflect the needs and requirements of the State. The Committees on Land Reform, on Co-ordination and on Municipalities are another index of the eagerness of the Government to go with the people. To the Presidents of the three Committees, Sri H. B. Gundappa Gowda, Sri V. Venkatappa and Sri A. Bheemappa Naik and the Members, the Government is deeply indebted for the thoughtful and practical recommendations which are now actively under implementation. Let it not be forgotten that along with the reserves we inherited huge subsidies, revised scales, capital commitments on Irrigation, Electricity and Iron and Steel Works, and various other post-war schemes. The demands of a new democracy are great and they had to be satisfied with liberal provisions. Grow More Food Schemes, Irrigation, Schools and Colleges, Technical Education, Health and Medicine, Improvement Grants to Local Bodies and private institutions all had claims insatiable. Have all these brought no benefits to people?

Census—its features.

Let me tell you what the recent Census figures reveal. Three striking features are noticeable: (1) the increase in population from 73·30 lakhs to 90·70 lakhs. Even allowing for a large influx from outside it cannot mean that conditions were not propitious for the people. I do not deny that sometimes poverty and population go together. That is only a half truth and like all half truths dangerous to accept. (2) The noticeable increase of population in Malnad districts. The trend in the past was in the opposite direction. That must obviously be due to the favourable health conditions created there. (3) Lastly, the pronounced rise in literacy during the last decade. It was 13 per cent in 1941 and to-day it is 20·5 per cent. It could not be a mere accident.

Conclusion.

Let me not be mistaken as justifying everything done as perfect and flawless. After all, democracy of the type we are having is new to the country. Its demands are exacting and let us the pioneers members of the Legislature or of the Cabinet help in laying it on

sure foundations. The budget I have placed before you has sight of this new democracy which is broad based on adult suffrage. I may claim that it has been drawn on a bold plan, for it is no virtue for a people newly liberated to be too conservative. These are days of electricity and we must all work with speed and work hard and work together. I appeal for that co-operative effort which alone can lead us to success. And I trust I will not have appealed in vain.

Before I conclude may I acknowledge my deep obligation to the Financial Secretary and his Assistants who had a most unusually difficult task this time in reconciling figures under new heads and this has also necessitated a more elaborate explanatory memorandum. When you see the estimates I am sure you will appreciate their assistance and work as well as I do. JAI HIND.

Mr. SPEAKER.—The House will adjourn for lunch for half an hour.

The Assembly adjourned for lunch at Forty Minutes past Three of the Clock and reassembled at Ten Minutes past Four of the Clock, Mr. Speaker (The Hon'ble Sri V. Venkatappa) in the Chair.

Laying Schedule of Supplementary and Additional Grants for 1950-51.

Mr. SPEAKER (The Hon'ble Sri V. Venkatappa).—The Hon'ble Minister of Finance will now lay before the House the Statement of Supplementary and Additional Grants for 1950-51.

The Hon'ble Sri H. C. DASAPPA (Minister for Finance and Industries).—Sir, I beg to lay before the House a Statement of Supplementary and Additional Estimates and Schedule of Demands thereof, copies of which have already been distributed to the members.

Mr. SPEAKER.—The Demands will be taken up on Saturday, the 24th March 1951. Hon'ble Members who desire to give notice of cut motions may do so by tomorrow evening.

LEGISLATIVE BUSINESS.

Mr. SPEAKER (The Hon'ble Sri V. Venkatappa)—Now Legislative Busi- will be taken up. The Hon'ble Chief Minister may now move the Mysore University (Amendment) Bill.

The Mysore University (Amendment) Bill, 1951.

Motion to consider.

The Hon'ble Sri K. CHENGALARAYA REDDY (Chief Minister).—Sir, I beg to move:

"That the Mysore University (Amendment) Bill, 1951, be taken into consideration."

This is a very simple Bill. The objects in introducing this Bill are two-fold. Firstly, it is proposed to reorganise the University under a new enactment and naturally it will take some time before the Bill that is to be sponsored